

U.S. Senate on Appropriations - Press Release

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FOR IMMEDIATE RELEASE

Conference Committee Approves Fiscal Year 2005 Defense Appropriations Conference Report

A House-Senate Conference Committee has approved the fiscal year 2005 Defense Appropriations Conference Report. The Conference Report provides \$416.2 billion in new discretionary spending authority for the Department of Defense for functions under the House and Senate Defense Subcommittees' jurisdiction, including \$25 billion in emergency spending requested by the President for early fiscal year 2005 costs associated with operations in Iraq and Afghanistan.

The Conference Report is \$1.6 billion under the President's amended fiscal year 2005 budget request of \$417.8 billion and reflects an increase of \$25.4 billion over amounts provided in fiscal year 2004, excluding the fiscal year 2004 Iraq Supplemental and the \$25 billion Emergency Wartime Appropriation. It also supports operations in Iraq and Afghanistan and provides the resources to prosecute the Global War on Terrorism.

The Conference Report fully funds military pay, benefits and medical programs; initiates the major recapitalization of Army and Marine Corps ground forces; supports the deployment of a national missile defense and continues investment in theater missile defenses. It continues development and procurement of major platforms such as the Virginia class submarine, the C-130, and V-22 transport aircraft, the F/A-18 and F/A-22 fighter aircraft, and the Joint Strike Fighter and provides a total of \$350 million for National Guard and Reserve equipment.

Summary by Major Account:

Military Personnel: \$103,731,158,000

Operation and Maintenance: \$121,062,969,000

Procurement: \$77,679,803,000

Research, Development, Test and Evaluation: \$69,932,182,000

Revolving and Management Funds: \$2,378,836,000

Other: \$10,000,000,000

Other Department of Defense Programs: \$20,655,510,000

Emergency Wartime Appropriation: \$25,000,000,000

Major Issues:

Military Personnel:

The Conference Report fully funds the 3.5% military pay raise proposed in the President's budget, and increased levels for Basic Allowance for Housing, eliminating service members' average out-of-pocket housing expenses from 3.5% to zero in fiscal year 2005.

The Conference Report provides \$14.7 million for 154 Active Guard Personnel to support 7 additional Weapons of Mass Destruction/Civil Support Teams, resulting in a total of 55 teams by the end of FY 2005.

Readiness Accounts:

The Conference Report fully funds key readiness programs critical to the Global War on Terrorism: land forces training, tank training miles, helicopter flying hours, ship steaming days, spare parts, and Air Force and Navy flying hour programs.

The Conference Report fully funds the Department's Environmental Restoration programs at \$1.3 billion, and includes \$50 million above the budget request for cleanup at Formerly Used Defense Sites (FUDS).

Ground Forces Recapitalization:

The Conference Report provides \$1.5 billion above the President's budget request to the Army and Marine Corps for the recapitalization of combat and tactical vehicles, helicopters, and ammunition production. Of this amount, \$235.8 million is directed to National Guard and Reserve equipment.

This initiative accelerates the process of restocking our ground forces' inventory that is being decimated by ongoing operations in Iraq and Afghanistan.

Amounts provided for this major ground forces recapitalization include:

- o \$625 million for procurement and fielding of one additional Stryker brigade
- o \$332.9 million to modernize the Army truck fleet
- o \$114 million for Bradley Fighting Vehicles, and an additional \$34 million to initiate the Bradley Integrated Modernization Program (BIM)
- o \$10.5 million for M113 Carrier Modernization

- o \$63.6 million for 12 Army National Guard Blackhawk helicopters
- o \$143 million for 8 CH-47 Chinook helicopters
- o \$51.4 million for Army ammunition

Major Aviation Programs:

Army

- o The Conferees approve the termination of the Comanche helicopter program and redistribute funding to other Army aviation programs.
- o As part of the Conferees' ground forces recapitalization initiative, \$63.6 million is added above the budget request for 12 additional Army National Guard Blackhawk helicopters for a total of 39 Blackhawks in FY 2005, and \$143 million is provided for the procurement of 8 CH-47 Chinook helicopters.

Navy/Marine Corps

- o The Conference Report provides \$2.9 billion for 42 F/A-18 fighters, \$846.6 million for 8 Marine Corps V-22 transport aircraft and \$211.5 million for 2 E-2C Hawkeye surveillance aircraft, as requested in the budget.
- o The Conference Report funds 2 UC-35 airlift aircraft, and 2 C-37s, one aircraft above the budget request.
- o The Conference Report adds \$15 million for the acquisition of Joint Primary Air Training System (JPATS) aircraft.

Air Force

- o The Conference Report provides \$3.6 billion for procurement of 24 F/A-22 fighters, and \$2.7 billion for 15 C-17 aircraft, an addition of \$158 million and one C-17 aircraft above the budget request. The Conferees fully fund procurement of 3 Air Force V-22 Ospreys.
- o For advance procurement, the Conference Report provides \$110 million for F-15 fighters. The Conference Report also includes \$100 million for a "Tanker Replacement Transfer Fund".
- o The Conference Report provides \$30 million above the budget request for a total of \$176.6 million for Predator UAVs.
- o The Conference Report adds \$60 million for the continued development of the B-2 and a next-generation bomber program.

Joint Strike Fighter

- o The Conference Report recommends \$4.4 billion for the Joint Strike Fighter development program, an increase of \$97 million from fiscal year 2004 levels.

Unmanned Combat Aerial Vehicles

- o The Conference Report provides \$586.5 million for the Joint Unmanned Combat Aerial System (JUCAS) program.

VXX Executive Helicopter

- o The Conferees reduce funding for the VXX Executive Helicopter by \$220 million due to program schedule delays.

Multiyear Procurement

- o As a result of the Air Force having entered into multiyear contracts for the C-17 and C-130 aircraft that permit incremental funding of these programs and put future budgets at risk through excessive government liability, the Conference Report revises provisions relating to future multiyear procurement contracts. These changes will require that any future multi-year programs must be budgeted and executed as fully funded production programs, and must limit the government's exposure in terms of expected production levels, follow-on contracts and termination liability.

Army Future Combat System (FCS):

- o The Conference Report provides \$2.9 billion for the Army's Future Combat System, the Army's premier modernization effort. This amount is an increase of \$1.2 billion over fiscal year 2004 and a decrease of \$268 million to the budget request.

- o The Conference Report fully funds the requested amount for the Non Line of Sight Cannon (NLOS-C) and directs its fielding by not later than 2010.

- o The Conference Report also establishes a new funding line for the Non Line of Sight Launch System (NLOS-LS) and includes \$58 million for this effort.

Shipbuilding Programs:

- o The Conference Report provides a total of \$11.1 billion for shipbuilding programs, an increase of \$240 million over the budget request. The Conference Report fully funds amounts requested for fiscal year 2005 production ships, including one Virginia-class submarine, three DDG-51 destroyers, one LPD-17, and two T-AKEs. An additional \$150 million is provided for initiation of the LHA-R program, \$50 million is provided for modernization of DDG-51s, and \$84.4 million is provided in advance procurement funding for construction of the second DD(X).

- o Regarding future ship development, the Conferees provide \$953 million for the next-generation CVN-21 carrier and \$457.1 million for the Littoral Combat Ship, an increase of \$105 million over the budget request to fully fund construction of the first vessel. The conferees also provide \$1.4 billion for the DD(X) program, including \$221 million of

the funds requested for advance procurement of the first DD(X) ship.

Missile Defense Programs:

- o The Conference Report provides \$10 billion for missile defense programs, an increase of \$1 billion from fiscal year 2004 levels, and a decrease of \$183 million from the budget request.

- o This amount includes \$4.6 billion for ground-based midcourse missile defense in support of fielding a national missile defense initial operational capability in the fall of 2004.

- o For theater missile defense, the Conferees provide \$937.6 million for production, modification and continued development of Patriot PAC-3 missiles and the next-generation MEADS system.

Space Programs:

- o The Conference Report provides \$599 million for the Space Based Infrared System (SBIRS-High), an increase of \$91 million over the request; and provides \$511 million for Enhanced Expendable Launch Vehicle (EELV) procurement.

- o Development funding for the Advanced Wideband System (also known as Transformational Satellite Communications) and Mobile User Objective System programs are reduced due to technical maturity and the need for risk reduction.

- o Funding for the Space-Based Radar program is reduced to \$75 million, with direction to return this effort back to the technology development phase.

Weapons/Missiles:

- o The Conference Report fully funds the PAC-3 procurement program.

- o The Conference Report adds \$24 million for Tactical Tomahawk missiles.

Defense Health Program:

- o The Conference Report provides a total of \$18.2 billion for the Defense Health Program, an increase of \$2.5 billion over the fiscal year 2004 enacted level.

- o This amount includes \$150 million for breast cancer research, \$85 million for prostate cancer research, and \$10 million for ovarian cancer research.

- o The Conferees also provide \$19.2 million to improve amputee care at Walter Reed Army Medical Center, including \$10 million for prosthetic limb development and applied collaborative research.

Drug Interdiction and Counter-Drug Activities:

- o The Conference Report provides \$906.5 million for Department of Defense Drug Interdiction and Counter-Drug Activities. This is a \$71.9 million increase over the fiscal year 2004 enacted level.

- o The Conference Report adds \$18 million for National Guard State Counter-Drug support programs above the budget request.

Emergency Wartime Appropriation:

- o The Conferees provide \$25 billion for operational costs in Iraq and Afghanistan in an Emergency Wartime Appropriation, available to the Department immediately upon the enactment of the Conference Report. These funds are appropriated into the following accounts:

Military Personnel: \$1,250,000,000

Operation and Maintenance: \$20,205,000,000

Procurement: \$1,384,000,000

Defense Working Capital Funds: \$1,478,000,000

Defense Health Program: \$683,000,000

Manpower:

- o The Emergency Wartime Appropriation provides \$1.3 billion for additional manpower costs stemming from the Global War on Terrorism.

- o The Emergency Wartime Appropriation provides a total of \$126.1 million to fund permanent increases for military personnel in Family Separation Allowance (FSA) from \$100 to \$250 per month, and in Imminent Danger Pay (IDP) from \$150 to \$225 per month.

- o The Emergency Wartime Appropriation provides \$683 million for the Defense Health Program. These funds will cover additional costs incurred by the military medical system, including costs associated with improving medical readiness for Ready Reserve members and their families.

Force Protection/Equipment:

- o The Emergency Wartime Appropriation provides \$1.3 billion for critical force protection requirements, including \$587 million for Army and Air Force Up-armored HMMWVs and \$250 million for Army and Marine Corps Bolt-on Armor kits, and funds equipment for the restructured Army brigades that will be rotating into theater.

- o The Emergency Wartime Appropriation provides \$79 million for Navy aircraft survivability and reliability equipment.

- o The Emergency Wartime Appropriation provides \$100 million for Iraqi Captured Enemy Ammunition Demilitarization. The additional funding is to help ensure that newly discovered weapons caches are secured and disposed of before they become available to enemy combatants.

- o The Emergency Wartime Appropriation provides \$50 million for the National Guard and Reserve Equipment Account, and \$100 million for the Coast Guard in support of DOD operations in Iraq and Afghanistan.

Oversight

- o The Conferees direct the Secretary of Defense to submit a report within 60 days of enactment of this legislation on the allocation of these funds, with quarterly reports submitted thereafter. These quarterly reports shall include detailed accounting of obligations and expenditures of appropriations provided in this Title for the continuation of the war in Iraq and Afghanistan; and a listing of equipment procured using funds provided in this Title.

- o The Conferees direct the Secretary of Defense to provide a report to the congressional defense committees regarding military structure, training, and job specialties for handling prisoners and managing prisons, and related matters.

- o The Conferees direct classified and unclassified reviews regarding U.S. financial assistance to the Iraqi National Congress (INC) and alleged intelligence compromises involving the INC.

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